

## Message Text

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41

ORIGIN EA-09

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DESIRED DISTRIBUTION

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R 031615Z AUG 76

FM SECSTATE WASHDC

TO AMEMBASSY SEOUL

C O N F I D E N T I A L STATE 191709

STADIS////////

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E.O. 11652: GDS

TAGS: MMOL, KS, US

SUBJECT: GAO INVESTIGATION OF US ARMY PROCUREMENT  
PRACTICE IN KOREA

1. GAO HAS INFORMALLY NOTIFIED DEPARTMENT THAT IT IS PREPARING REPORT AT REQUEST OF SENATOR PROXMIRE ON PRACTICES OF US ARMY PROCUREMENT AGENCY IN KOREA. SENATOR'S REQUEST WAS REPORTEDLY MADE FOLLOWING WRITTEN COMPLAINT BY FORMER CIVILIAN EMPLOYEE OF AGENCY ALLEGING GROSS COLLUSIVE BIDDING PRACTICES AMONG KOREAN FIRMS WHICH ARE MEMBERS OF KOREAN MILITARY CONTRACTORS ASSOCIATION. GAO AUDITORS SAID THAT MAGNITUDE OF FUNDS INVOLVED IN ALLEGATION COULD RUN AS HIGH AS 30 PER CENT OF ARMY ANNUAL LOCAL PROCUREMENT BILL OF \$45 TO \$65 MILLION.

2. AUDITORS SAID THEY ARE CONCENTRATING INVESTIGATION ON DOCUMENTS AVAILABLE AT DEFENSE AND DO NOT PLAN TO VISIT ROK. THEY SAID THEY HAVE BEEN WORKING ON REPORT FOR ABOUT  
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TWO MONTHS, AND HOPE TO HAVE DRAFT READY FOR PRESENTATION

TO SENATOR'S STAFF ABOUT AUGUST 16. KISSINGER

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NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MILITARY PROCUREMENT, INVESTIGATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 03 AUG 1976  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** izenbei0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976STATE191709  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** FMISCH:EY  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D760298-1309  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760891/aaaadcad.tel  
**Line Count:** 62  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN EA  
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**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** ONLY, STADIS  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** izenbei0  
**Review Comment:** n/a  
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**Review Date:** 28 MAY 2004  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GAO INVESTIGATION OF US ARMY PROCUREMENT PRACTICE IN KOREA  
**TAGS:** MMOL, KS, US, GAO  
**To:** SEOUL  
**Type:** TE  
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